

# FISCAL NOTE

**Bill #:** HB 551

**Title:** State funding assistance for tribal TANF programs

**Primary  
Sponsor:** John Cobb

**Status:** As introduced

Sponsor Signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
Federal Special Revenue	(\$6,706,697)	(\$6,706,697)
<b>Revenue:</b>		
Federal Special Revenue	(\$6,706,697)	(\$6,706,697)
<b>Net Impact on General Fund Balance:</b>	<b>none</b>	

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. Under the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which authorized the Temporary Assistance to Needy Families (TANF) block grants, tribes have the option to remain participants in the state public assistance programs or to develop and operate separate tribal TANF programs.
2. When tribes elect to operate separate tribal TANF programs, the total federal block grant for TANF allocated to a state is reduced by the portion of the block grant that is awarded directly to the tribe. The federal government passes the tribal TANF award directly to the tribe.

(continued)

3. The state funds which make up the maintenance of effort (MOE) required for access to the federal TANF block grant may be allocated partially to the tribes based on the percentage of caseload experienced by the tribes in federal fiscal year 1994 relative to the total state caseload for the same time period.
4. There are seven tribes in Montana who are eligible to develop and operate tribal TANF programs. Currently, one tribe, the Confederated Salish and Kootenai tribe, has developed a tribal TANF plan and this bill will only address the impact to the remaining six tribes that do not currently have a tribal TANF plan.
5. The amount of federal TANF funds available to be transferred to the remaining six tribes, if they opt to develop tribal TANF plans, is estimated to be a minimum of \$6,706,697 per year
6. The state's maintenance of effort (MOE) requirement is reduced in proportion to the reduction in the state's TANF block grant award. The maximum annual amount of the state's MOE reduction if the remaining six tribes had approved tribal TANF plans is estimated at \$2,373,327.
7. Under this bill, the state will transfer general fund to tribes with approved tribal TANF plans based on the general fund cost of cash benefits paid for the federal fiscal year 1994 caseload experienced by these tribes. The maximum amount of general fund that would be transferred if the six remaining tribes operate separate tribal TANF programs would be \$1,939,505 per year.
8. General fund for tribal TANF plans of \$1,939,505, less the reduction in the state's MOE requirement of \$2,373,327, results in a net reduction of general fund requirements of \$433,822 each year.
9. The \$433,822 general fund savings per year will be re-invested to provide benefit and supportive services for the hard to serve population that exceeds the federal exemption rate.